

AMENDED IN SENATE JUNE 4, 2007

AMENDED IN SENATE MAY 25, 2007

AMENDED IN SENATE MAY 15, 2007

AMENDED IN SENATE APRIL 17, 2007

## SENATE BILL

**No. 732**

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**Introduced by Senator Steinberg  
(Principal coauthor: Senator Negrete McLeod)**

February 23, 2007

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An act to amend Sections 75076 and 75077 of, to add Chapter 12 (commencing with Section 75100) to, and Chapter 13 (commencing with Section 75120) to, Division 43 of, the Public Resources Code, and to amend Section 10533 of, and to add Sections 10544 and 10544.5 to, the Water Code, relating to the environment.

### LEGISLATIVE COUNSEL'S DIGEST

SB 732, as amended, Steinberg. Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

(1) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative statute approved by the voters at the November 7, 2006, statewide general election makes about \$5.4 billion in bond funds available for safe drinking water, water quality and supply, flood control, natural resource protection, and park ~~improvement~~ *improvements*. *The Housing and Emergency Shelter Trust Fund Act of 2006, a bond measure (Proposition 1C) approved by the voters at the November 7, 2006, statewide general election, makes available upon appropriation by the Legislature \$200,000,000 for housing-related parks grants in urban,*

*suburban, and rural areas, subject to the conditions and criteria that the Legislature may provide by statute.*

This bill would require the various departments that are to implement the provisions of the initiative, among other things, to develop and adopt guidelines and regulations, consult with other entities, conduct studies, and follow certain procedures for establishing a project, or grant or loan program implementing the initiative.

~~The bill would specify various requirements for the expenditure of bond funds for flood control.~~

The bill would specify various requirements for the expenditure of bond funds for nature education and research facilities and for parks.

~~The bill would create the Sustainable Communities Council (*council*) in state government, and establish the Sustainable Communities Fund, for receipt of initiative bond funds available for urban greening and planning grants and planning incentives. The bill would specify the council's responsibilities, including responsibilities related to those bond funds available pursuant to the initiative for urban greening and planning grants and incentives for the development of regional and local land use plans. The bill would also require the council to develop and implement a local assistant grant program for the development of parks associated with housing, for the purposes of Proposition 1C.~~

The bill would require, by January 1, 2009, and on or before January 1 of each year thereafter, each state agency expending funds pursuant to the initiative for a project, grant, or loan to report to the Legislature on the recipient and amount of each project, grant, or loan awarded during the previous fiscal year.

The bill would provide that in any case in which the provisions of the bill and the initiative conflict, the initiative shall prevail.

(2) The Integrated Regional Water Management Planning Act of 2002 defines terms for its purposes, including defining "local public agency" as a city, county, city and county, special district, corporation, or mutual water company.

The bill would revise that definition to delete the inclusion of a corporation in the definition, and to add an investor-owned utility regulated by the Public Utilities Commission in the definition.

The bill would provide that for purposes of a grant program administered by the Department of Water Resources or the State Water Resources Control Board to fund a project or program included in an integrated regional water management plan, specified priorities are included in the statewide priorities.

If the department finds it necessary or desirable to revise or replace the Integrated Regional Water Management Guidelines, the bill would require it to develop new or revised guidelines in consultation with specified entities, and pursuant to other specified provisions enacted by the bill.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 75076 of the Public Resources Code is  
2 amended to read:

3 75076. Chapter 3.5 (commencing with Section 11340) of Part  
4 1 of Division 3 of Title 2 of the Government Code does not apply  
5 to the development and adoption of program guidelines and  
6 selection criteria adopted pursuant to this division.

7 SEC. 2. Section 75077 of the Public Resources Code is  
8 amended to read:

9 75077. Funds provided pursuant to this division, and any  
10 appropriation or transfer of those funds, shall not be deemed to be  
11 a transfer of funds for the purposes of Chapter 9 (commencing  
12 with Section 2780) of Division 3 of the Fish and Game Code.

13 SEC. 3. Chapter 12 (commencing with Section 75100) is added  
14 to Division 43 of the Public Resources Code, to read:

15  
16 CHAPTER 12. IMPLEMENTATION PROVISIONS

17  
18 Article 1. General Provisions

19  
20 75100. (a) (1) On or before March 15, 2008, each state agency  
21 disbursing a grant or loan pursuant to this division shall develop  
22 project solicitation and evaluation guidelines. The guidelines may  
23 include a limitation on the size of a grant or loan to be awarded.

24 (2) Prior to disbursing a grant, each state agency shall conduct  
25 at least one public meeting to consider public comments prior to  
26 finalizing the guidelines. Each state agency shall publish the draft  
27 solicitation and evaluation guidelines on its Internet Web site at  
28 least 30 days before the public meetings. Meetings shall be held  
29 at geographically appropriate locations. For statewide programs,  
30 one meeting shall be conducted at a location in northern California

1 and one meeting shall be conducted at a location in southern  
2 California. Upon adoption, each state agency shall transmit copies  
3 of the guidelines to the fiscal committees and the appropriate policy  
4 committees of the Legislature. To the extent feasible, each state  
5 agency shall provide outreach to disadvantaged communities to  
6 promote access and participation in those meetings.

7 (3) The guidelines may include a requirement for the applicant  
8 to illustrate an ongoing commitment ~~to~~ of financial resources,  
9 unless the purposes of awarding a grant financed by this division  
10 is to assist a disadvantaged community.

11 (4) The guidelines shall require a new grant solicitation for each  
12 funding cycle. Each funding cycle shall consider only those  
13 applications received as a part of the solicitation for that funding  
14 cycle.

15 (b) Notwithstanding subdivision (a), a state agency, in lieu of  
16 adopting guidelines pursuant to subdivision (a), may use guidelines  
17 existing on January 1, 2007.

18 75101. (a) For the purposes of implementing Section 75025,  
19 the State Department of Health Care Services shall do all of the  
20 following:

21 (1) Develop guidelines pursuant to Section 75100 in  
22 collaboration with the Department of Toxic Substances Control  
23 and the state board.

24 (2) In collaboration with the Department of Toxic Substances  
25 Control and the state board, develop and adopt regulations  
26 governing the repayment of costs that are subsequently recovered  
27 from parties responsible for the contamination.

28 (b) For the purposes of implementing subdivision (a) of Section  
29 75050, the Department of Fish and Game, when funding a natural  
30 community conservation plan, shall fund only the development of  
31 a natural community conservation plan that is consistent with the  
32 Natural Community Conservation Planning Act (Chapter 10  
33 (commencing with Section 2800) of Division 3 of the Fish and  
34 Game Code).

35 (c) *The San Francisco Bay Area Conservancy may use the funds*  
36 *made available pursuant to subdivision (c) of Section 75060 to*  
37 *restore the salt ponds in the south San Francisco Bay and to create*  
38 *trails and visitor facilities for public use in that area.*

39 75102. Before the adoption of a negative declaration or  
40 environmental impact report required under Section 75070, the

1 lead agency shall notify the proposed action to a California Native  
2 American tribe, which is on the contact list maintained by the  
3 Native American Heritage Commission, if that tribe has traditional  
4 lands located within the area of the proposed project.

5 75103. It is the intent of the Legislature that any public funds  
6 made available by this division to investor-owned utilities regulated  
7 by the Public Utilities Commission should be for the benefit of  
8 the ratepayers or the public and not the investors pursuant to  
9 oversight by the Public Utilities Commission.

10 75104. State agencies that are authorized to award a loan or  
11 grant financed by this division shall provide technical assistance  
12 with regard to the preparation of an application for a loan or grant  
13 in a manner that, among other things, addresses the needs of  
14 economically disadvantaged communities.

15  
16 Article 2. Flood Provisions  
17

18 ~~75105. Inspections and evaluations pursuant to subdivision (a)~~  
19 ~~of Section 75032 shall include seismic evaluation of those flood~~  
20 ~~control project facilities that are not a part of the state plan for~~  
21 ~~flood control.~~

22 ~~75106. For purposes of complying with the Public Contract~~  
23 ~~Code, expenditures funded pursuant to Sections 75031, 75032,~~  
24 ~~and 75033 shall be deemed to be in response to an emergency.~~

25 ~~75107. Contracts funded pursuant to Sections 75031, 75032,~~  
26 ~~and 75033 shall provide for the payment of extra compensation to~~  
27 ~~the contractor, as a bonus for completion prior to the time specified~~  
28 ~~in the contract. This provision shall be included in the~~  
29 ~~specifications and shall clearly set forth the basis for the payment.~~

30 ~~75108. In addition to the provisions of Article 1 (commencing~~  
31 ~~with Section 75100), a grant program that provides funds from~~  
32 ~~Chapter 3 (commencing with Section 75030) to rehabilitate,~~  
33 ~~reconstruct, replace, improve, or construct new flood levees or~~  
34 ~~other management facilities shall comply with this section.~~

35 (a) ~~Eligible projects may include, but are not limited to, any of~~  
36 ~~the following:~~

37 (1) ~~The construction or improvements of weirs, bypasses, and~~  
38 ~~channels.~~

39 (2) ~~The construction of levees, such as setback or backup levees.~~

~~(3) The construction of levee improvements, referred to as “levee strengthening” or “levee modifications,” to control seepage, erosion, and slope stability problems, including, but not limited to, deep slurry cutoff walls, cutoff trenches, drainage blankets, toe drain, seepage and stability berms, relief wells, levee armoring, levee toe stabilization, levee widening, and streambank protection measures.~~

~~(4) Raising existing levees to reduce the risk of overtopping and to correct freeboard deficiencies.~~

~~(5) The modification or reoperation of existing dams and waterworks, including spillways, outlets, or other related capital outlay facilities, for the purpose of improving low-level discharge and flood control storage capacity.~~

~~(b) Eligible components of projects may include, but are not limited to, any the following:~~

~~(1) The construction of detention basins necessary for project function.~~

~~(2) Removal of structures located within the project area.~~

~~(3) Relocation or reinforcement of utilities within the project area.~~

~~(4) The installation of tailwater suppression systems, drainage improvements for flood control systems, flood warning systems, and telemetry devices.~~

~~(5) The purchase of project-required lands, easements, and rights-of-way.~~

~~(6) Capital costs of project-related environmental mitigation.~~

~~(e) Costs required for implementation of the project incurred by the grantee that are eligible for credit toward the required cost share or for reimbursement include, but are not limited to, all of the following:~~

~~(1) The reasonable costs of engineering, design, land acquisition, acquisitions of easements, and relocations incurred after November 7, 2006, and after completion of compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000)):~~

~~(2) Legal fees incurred after November 7, 2006.~~

~~(3) The fair market value of land contributed to the project that was acquired after November 7, 2006, including, but not limited to, associated appraisal and entitlement transfer costs.~~

~~(4) Environmental mitigation incurred after November 7, 2006.~~

1 ~~(5) Project construction costs incurred after the effective date~~  
2 ~~of the grant agreement, or such costs authorized in writing, before~~  
3 ~~incurring the costs, between the funding commitment date and the~~  
4 ~~effective date of the grant agreement.~~

5 ~~(d) Costs that are not eligible for credit or reimbursement~~  
6 ~~include, but are not limited to, all the following:~~

7 ~~(1) Costs incurred on or before November 7, 2006.~~

8 ~~(2) Operation and maintenance costs, including post construction~~  
9 ~~project performance and monitoring costs.~~

10 ~~(3) Purchase of equipment that is not an integral part of the~~  
11 ~~project.~~

12 ~~(4) Establishing a reserve fund.~~

13 ~~(5) Replacement of existing funding sources for ongoing~~  
14 ~~projects.~~

15 ~~(6) Support of existing agency requirements and mandates.~~

16 ~~(7) Purchase of land in excess of the minimum required acreage~~  
17 ~~necessary to operate as an integral part of the project, as set forth~~  
18 ~~and detailed by engineering and feasibility studies.~~

19 ~~(e) A project shall meet all of the following criteria:~~

20 ~~(1) Be critically needed or otherwise significantly maximize~~  
21 ~~public benefits, enhance public safety, and reduce state liability.~~

22 ~~(2) Be ready for early implementation and need funding in the~~  
23 ~~budget year to maintain or accelerate the design or construction~~  
24 ~~schedule.~~

25 ~~(3) Be economically feasible, taking into account both local and~~  
26 ~~systemwide benefits.~~

27 ~~(4) If a project protects an existing urban area, there shall be a~~  
28 ~~strategy by the local agency for achieving 200-year or better flood~~  
29 ~~protection for the area and the project fits into the strategy.~~

30 ~~(5) If a project protects a nonurban area, it shall restore the~~  
31 ~~design level of flood protection where feasible, consistent with~~  
32 ~~nonurban uses such as agriculture, open space, and habitat in the~~  
33 ~~protected area.~~

34 ~~(6) A project shall improve a levee in place, only because it is~~  
35 ~~clearly infeasible to move the levee or there are no significant~~  
36 ~~flood risk management benefits to moving the levee.~~

37 ~~(7) A project shall take advantage of any feasible opportunities~~  
38 ~~to provide additional room for the river to meander, enhancing~~  
39 ~~channel capacity, reducing maintenance, and providing regional~~  
40 ~~flood risk management and environmental benefits.~~

1     ~~(8) The local agency shall have a sound financial strategy and~~  
2     ~~plan to fund its cost share to build the project and to then maintain~~  
3     ~~the completed project.~~

4     ~~(9) The local agency shall agree to provide a detailed emergency~~  
5     ~~response plan acceptable to the department.~~

6     ~~(10) All cities and counties in the protected area shall formally~~  
7     ~~acknowledge the flood risk.~~

8     ~~75109. In addition to the provisions of Article 1 (commencing~~  
9     ~~with Section 75100), a grant program that provides funds from~~  
10    ~~Chapter 3 (commencing with Section 75030) for geotechnical~~  
11    ~~exploration and evaluation of existing levees shall comply with~~  
12    ~~this section.~~

13    ~~(a) Eligible projects include, but are not limited to, geotechnical~~  
14    ~~exploration of existing levees and evaluation of the collected data~~  
15    ~~with regard to stability, seepage, underseepage, and seismic~~  
16    ~~vulnerability.~~

17    ~~(b) Eligible components of projects may include, but are not~~  
18    ~~limited to, all of the following:~~

19    ~~(1) Conducting rotary wash drilling, core drilling, core~~  
20    ~~penetration, or other acceptable tests.~~

21    ~~(2) Performing laboratory tests on the resulting samples.~~

22    ~~(3) Performing engineering analyses of seepage and stability~~  
23    ~~and reporting on the resulting data.~~

24    ~~(c) Costs that are not eligible for credit or reimbursement~~  
25    ~~include, but are not limited to, costs incurred on or before~~  
26    ~~November 7, 2006.~~

27    ~~(d) Projects shall meet all of the following criteria:~~

28    ~~(1) The project would be a geotechnical evaluation of a levee.~~

29    ~~(2) The applicant or lead applicant is responsible for flood~~  
30    ~~control in the project area.~~

31    ~~(3) The applicant or lead applicant is qualified to contract with~~  
32    ~~the state.~~

33    ~~(4) The applicant has submitted a satisfactory finance plan.~~

34    ~~75109.5. The department shall collaborate with the Reclamation~~  
35    ~~Board in developing guidelines pursuant to Section 75100 for a~~  
36    ~~grant program that would fund projects that are a part of the state~~  
37    ~~plan for flood control.~~

Article 3-2. Statewide Water Planning and Design

75110. In implementing Chapter 4 (commencing with Section 75041), the department, in collaboration with the Army Corps of Engineers and the operators of the flood control and water supply facilities that affect the operation of the state plan for flood control, shall do both of the following:

(a) (1) Conduct a study to reduce flood risks and increase water supply reliability, throughout the Sacramento River and San Joaquin River watersheds by reoperating the existing flood management and water supply facilities.

(2) The study required by this subdivision shall also investigate options to do all of the following:

(A) Optimize the conjunctive use of groundwater basins with flood management and water supply facilities.

(B) Improve water quality.

(C) Improve fish, wildlife, and habitat protection and restoration.

(3) The department shall complete the study on or before July 1, 2009, and present a report describing the results of the study to the Legislature.

(b) Develop a real-time flood forecasting model, integrating the operations of flood control facilities that affect the operation of the state plan for flood control. The model shall be capable of both real-time forecasts and simulations for alternative operational scenarios and shall be operational on or before November 1, 2009.

75111. In implementing Chapter 4 (commencing with Section 75041), the department shall, in concert with the lead scientist of the California Bay-Delta Authority and the Independent Science Board, develop two or more hydrology data sets designed to evaluate plausible climate change scenarios. Upon development of the hydrology data sets, the department shall, within one year from the date when those data sets are developed, update the studies developed pursuant to this article to reflect the climate change hydrology data sets and report the results to the Legislature.

Article 4-3. The Nature Education and Museums Act of 2007

75112. (a) The Department of Parks and Recreation shall develop and implement a competitive grant program to allocate funds made available ~~from~~ *pursuant to* subdivision (b) of Section

1 75063. This article shall be known, and may be cited, as the Nature  
2 Education and Museums Act of 2007.

3 (b) Eligible parties may include public institutions, including  
4 local public institutions, and nonprofit organizations that have  
5 missions that meet one or more of the following objectives:

6 (1) To combine the study of natural science with preservation.

7 (2) To serve diverse populations with demonstration and nature  
8 education programs.

9 (3) To provide collections and programs involving the  
10 relationship of Native American cultures to the environment.

11 (4) To research marine wildlife conservation.

12 (c) Eligible projects may include new and existing facilities and  
13 equipment for nature education and research. Grants shall not be  
14 awarded for ongoing activities.

15 (d) The Department of Parks and Recreation, in evaluating an  
16 application for a grant under this article, shall give additional  
17 consideration for each of the following criteria that the grant  
18 satisfies:

19 (1) Serves underserved communities, including, but not limited  
20 to, disadvantaged communities with limited access to parks and  
21 nature education facilities, or communities with low educational  
22 achievement.

23 (2) Includes cooperation with public education institutions to  
24 increase accessibility to the facility.

25 (3) Illustrates an ongoing commitment of ~~fixed~~ *financial*  
26 resources to the project.

27 (4) Utilizes the United States Green Building Council's building  
28 standards.

29 (e) The grant program shall allow for several granting cycles.

30 (f) The program shall be designed to fund a range of projects  
31 at natural history museums, aquariums, botanical gardens, and  
32 nature centers. To accommodate a wide range of projects, the  
33 Department of Parks and Recreation may establish a tiered grant  
34 maximum schedule based on factors including the number of visitor  
35 days served by the project.

36  
37 Article ~~4.5~~ 4. The Statewide Parks Act of 2007  
38

39 75113. For the purposes of implementing subdivision (b) of  
40 Section 75065, the Department of Parks and Recreation shall

1 develop a competitive grant program to distribute funds fairly  
2 among all Californians. This article shall be known, and may be  
3 cited, as the Statewide Parks Act of 2007.

4 75113.1. As used in this article, the following terms have the  
5 following meaning:

6 (a) “City” means a city or a city and county.

7 (b) “Department” means the Department of Parks and  
8 Recreation.

9 (c) “District” means a recreation and park district formed under  
10 Chapter 4 (commencing with Section 5780) of Division 5; a public  
11 utility district formed under Division 7 (commencing with Section  
12 15501) of the Public Utilities Code in a nonurbanized area that  
13 employs a full-time park and recreation director and offers  
14 year-round park and recreation services on lands and facilities  
15 owned by the district; a memorial district formed under Chapter  
16 1 (commencing with Section 1170) of Division 6 of the Military  
17 and Veterans Code that employs a full-time park and recreation  
18 director and offers year-round park and recreation services on  
19 lands and facilities owned by the district; the Malaga County Water  
20 District exercising powers authorized under Section 31133 of the  
21 Water Code; a community service district formed under Division  
22 3 (commencing with Section 61000) of Title 6 of the Government  
23 Code in a nonurbanized area that is authorized to provide public  
24 recreation as specified in subdivision (e) of Section 61100 of the  
25 Government Code; and a county service area, or zone therein,  
26 within the County of San Bernardino that is empowered to provide  
27 public park and recreation services pursuant to Chapter 2.2  
28 (commencing with Section 25210.1) of Part 2 of Division 2 of  
29 Title 3 of the Government Code, that is actually providing public  
30 park and recreation services, and that was reorganized prior to  
31 January 1, 1987, from a park and recreation district to a county  
32 service area or zone.

33 (d) “Heavily urbanized county” means a county with a  
34 population of 1,000,000 or more as determined by the Department  
35 of Finance on the basis of the most recent verifiable census data.

36 (e) Notwithstanding Section 75005, “nonprofit organization”  
37 means a nonprofit public benefit corporation formed pursuant to  
38 the Nonprofit Corporation Law (Division 2 (commencing with  
39 Section 5000) of Title 1 of the Corporations Code), qualified to  
40 do business in California, qualified under Section 501(c)(3) of

1 Title 26 of the United States Code, and that has among its primary  
2 purposes the providing of recreational, vocational, and education  
3 services to youth, or the preservation, protection, or enhancement  
4 of land or water resources in their natural, scenic, historical,  
5 agricultural, forested, or open-space condition or use, or the  
6 provision of conservation and environmental education to youth.

7 (f) “Nonurbanized county” means a county with a population  
8 equal to or less than 200,000 as determined by the Department of  
9 Finance on the basis of the most recent verifiable census data.

10 (g) ~~“Regional Park District”~~ *park district* means a regional  
11 park district formed ~~under~~ *pursuant to* Article 3 (commencing with  
12 Section 5500) of Chapter 3 of Division 5.

13 (h) “Urbanized county” means a county with a population of  
14 more than 200,000 and less than 1,000,000 as determined by the  
15 Department of Finance on the basis of the most recent verifiable  
16 census data.

17 75113.2. (a) All funds appropriated for use pursuant to this  
18 article shall be available through three competitive grant programs.  
19 One program shall be for projects in heavily urbanized counties,  
20 one program shall be for projects in urbanized counties, and one  
21 program shall be for projects in nonurbanized counties.

22 (b) Each program shall receive a portion of funds equal to the  
23 proportion that the combined population of the eligible counties  
24 bears to the population of the state as determined by the  
25 Department of Finance on the basis of the most recent verifiable  
26 census data.

27 (c) Each program may have separate grant size limitations.

28 (d) If the jurisdiction of an applicant encompasses more than  
29 one county, as in the case of some regional park districts,  
30 applications shall be considered under the program where the  
31 proposed project is located.

32 75113.3. Each grant program that distributes funds pursuant  
33 to this article, at a minimum, shall do all of the following:

34 (a) Include criteria that require an applicant to illustrate how  
35 the project is meeting the intent of the program and funding source.

36 (b) Include mechanisms to allow departmental oversight.

37 (c) Include cities, counties, regional park districts, districts, and  
38 nonprofit organizations as eligible applicants.

39 (d) Fund a balance of passive and active recreational  
40 opportunities.

1 (e) Fund both new parks and new opportunities.

2 (f) Require all projects awarded under this article to be designed  
3 to provide efficient use of water and other natural resources.

4 (g) Require all projects awarded under this article to be within  
5 the jurisdiction of an eligible applicant.

6 (h) Distribute funds over multiple grant cycles.

7 (i) Allow grant awardees to spend a portion of their grant for  
8 project planning and other incidental, but directly related to,  
9 construction or acquisition costs.

10 75113.4. Eligible projects are neighborhood, local, and regional  
11 parks that include, but are not limited to, open space, public parks,  
12 park facilities, environmental youth service centers, gymnasiums,  
13 sports fields, recreation areas created by the redesign and retrofit  
14 of urban freeways, and regional recreation trails.

15 75113.5. The department, in evaluating an application for a  
16 grant ~~under~~ *pursuant to* this article, shall give priority for each of  
17 the following criteria satisfied:

18 (a) A project that acquires and develops new parks and expands  
19 overused parks that provide park and recreational access to  
20 underserved communities.

21 (b) A project that creates parks in neighborhoods where none  
22 currently exist.

23 (c) An applicant that actively involves community-based groups  
24 in the selection and planning of a project.

25 (d) A project that satisfies the most urgent recreation needs,  
26 with an emphasis on unmet needs in the most heavily populated  
27 and economically disadvantaged communities within heavily  
28 urbanized, urbanized, and nonurbanized counties.

29 (e) A project that provides multiple benefits to communities.

30 75113.6. The department, in evaluating an application for a  
31 grant ~~under~~ *pursuant to* this article, shall give additional  
32 consideration for each of the following criteria satisfied:

33 (a) A project that is a component of an existing local or regional  
34 plan, including a general plan, a park master plan, or a regional  
35 blueprint.

36 (b) A project that facilitates partnerships of public resources  
37 and investment, including, but not limited to, public schools.

38 75113.8. (a) The department, in accordance with Section  
39 75100, shall develop a procedural guide for the administration of  
40 this article and the guidance of applicants.

1 (b) The department shall provide outreach and technical  
2 assistance, including grant workshops, to underserved communities  
3 to encourage full participation in the grant programs.

4 (c) A regulation or procedural guide adopted or developed  
5 pursuant to this article shall not be subject to the review or approval  
6 of the Office of Administrative Law or to any other requirement  
7 of Chapter 3.5 (commencing with Section 11340) of Part 1 of  
8 Division 3 of Title 2 of the Government Code.

9 75113.9. (a) An applicant for a grant pursuant to this article  
10 shall agree to comply with all of the following requirements:

11 (1) To operate and maintain the property developed pursuant  
12 to this article so that it is usable by residents of the project's area.  
13 With the approval of the department, the grant recipient, or its  
14 successor in interest in the property, may transfer its property  
15 interest and the responsibility to operate and maintain the property,  
16 in accordance with the terms of the grant and applicable law, to a  
17 public agency that is able to operate and maintain the property in  
18 perpetuity. An attempt to make a transfer in violation of this  
19 subdivision is void.

20 (2) To use the property only for the purposes consistent with  
21 this article and to make no other use or sale or other disposition  
22 of the property, except as authorized by a specific act of the  
23 Legislature. If the use of the property is changed to a use that is  
24 not permitted by the terms of the grant, or if the property is sold  
25 or otherwise disposed of, the grant recipient shall reimburse the  
26 state an amount equal to the amount of the grant, the fair market  
27 value of the land and any improvements constructed with the grant,  
28 or the proceeds from the sale or other disposition, whichever  
29 amount is greatest. If the property that is sold or otherwise disposed  
30 of is less than the entire interest in the property funded with the  
31 grant, the grant recipient shall reimburse the state an amount equal  
32 to either the proceeds from the sale or other disposition of the  
33 interest or the fair market value of the interest sold or otherwise  
34 disposed of, whichever amount is greater.

35 (b) In lieu of seeking reimbursement pursuant to paragraph (2)  
36 of subdivision (a), the department may impose restrictions on the  
37 use of public park property identical to the requirements for the  
38 preservation of public parks set forth in the Public Park  
39 Preservation Act of 1971 (Chapter 2.5 (commencing with Section  
40 5400) of Division 5) with respect to any property used, sold, or

1 otherwise disposed of in a manner not permitted by the terms of  
2 the grant.

3 75113.10. A grant recipient shall encumber grant moneys  
4 within three years of the date of the appropriation of the grant  
5 funds, and the grant funds shall liquidate within eight years from  
6 the date of appropriation.

7  
8 Article 5. Sustainable Communities and Climate Change  
9 Reduction  
10

11 75114. (a) The Sustainable Communities Council is established  
12 in state government. *For purposes of this article, "council" means*  
13 *Sustainable Communities Council.* The council consists of the  
14 Secretary of the Resources Agency, the Secretary for  
15 Environmental Protection, the Secretary of Business,  
16 Transportation and Housing, and two members of the public  
17 appointed by the Governor.

18 (b) The two public members shall each serve a term of four  
19 years and may be reappointed to one additional term. The public  
20 members shall be appointed on the basis of their educational and  
21 professional qualifications and their general knowledge of and  
22 interest in sustainable community planning.

23 (c) Except as provided in this section, members of the council  
24 shall serve without compensation. A member shall be reimbursed  
25 for actual and necessary expenses incurred in the performance of  
26 his or her duties, and in addition shall be compensated at one  
27 hundred dollars (\$100) for each day during which the member is  
28 engaged in the performance of official duties of the council.  
29 Payment for actual and necessary expenses shall be paid only to  
30 the extent that those expenses are not provided or payable by  
31 another public agency. The total number of days for which a  
32 member may be compensated shall not exceed 25 days in any one  
33 fiscal year.

34 75115. The Secretary of the Resources Agency is the chair of  
35 the council.

36 75116. One member of the Senate, appointed by the Senate  
37 Committee on Rules, and one Member of the Assembly, appointed  
38 by the Speaker of the Assembly, shall meet with the council and  
39 may participate on the council to the extent that participation is

1 not inconsistent with their respective offices as Members of the  
2 Legislature.

3 75117. (a) The council's meetings shall be open to the public  
4 and shall be subject to the Bagley-Keene Open Meeting Act,  
5 Article 9 (commencing with Section 11120) of Chapter 1 of Part  
6 1 of Division 3 of Title 2 of the Government Code.

7 (b) The council may sponsor conferences, symposia, and other  
8 public forums, to seek a broad range of public advice when  
9 establishing priorities for land use, community, and natural resource  
10 planning.

11 75118. The council shall do all of the following:

12 (a) Coordinate activities of state agencies that can improve air  
13 and water quality, improve natural resource protection, increase  
14 the availability of affordable housing, and improve transportation,  
15 through land use planning.

16 (b) Recommend policies to the Legislature and to appropriate  
17 state agencies that will encourage the development of sustainable  
18 communities.

19 (c) Develop and implement grant and loan programs to meet  
20 the objectives described in Sections 75118.1, 75118.2, 75118.3,  
21 75118.4, and 75118.5. The programs shall do all of the following:

22 (1) Include criteria for determining the amount of grants and  
23 loans made pursuant to Sections 75118.1, 75118.2, and 75118.3,  
24 based on the ability of the city, the county, the council of  
25 governments, or the local agency formation commission to raise  
26 revenue.

27 (2) Provide for payments of interest on loans made pursuant to  
28 this article. The rate of interest shall not exceed the rate earned by  
29 the Pooled Money Investment Board.

30 (3) Provide for the recovery of grant and loan funds from a city  
31 or a county that fails to adopt a general plan that has been funded  
32 by a grant made pursuant to this article. The council shall direct  
33 the Controller to recover funds by any available means.

34 75118.1. (a) ~~The Sustainable Communities Council~~ *council*  
35 shall develop a program to award grants and loans to cities and  
36 counties for preparing and adopting or implementing general plans.  
37 Grants for this purpose shall be funded from moneys ~~that were~~  
38 ~~made available from~~ *made available pursuant to* subdivision (c)  
39 of Section 75065. The council may designate the Office of Planning  
40 and Research as the administering agency of this program.

1 (b) For the purposes of this section:

2 (1) Preparing and adopting general plans shall include the  
3 preparation, adoption, and amendment of general plans pursuant  
4 to Article 5 (commencing with Section 65300) and Article 6  
5 (commencing with Section 65350) of Chapter 3 of Division 1 of  
6 Title 7 of the Government Code as well as compliance with the  
7 California Environmental Quality Act (Division 13 (commencing  
8 with Section 21000)).

9 (2) Implementing city and county general plans shall include  
10 the preparation and adoption of planning documents including  
11 specific plans, habitat conservation plans, zoning ordinances, and  
12 design standards.

13 (c) A grant of state funds to a city or a county for the preparation  
14 and adoption or implementation of a general plan shall not exceed  
15 one-half of the costs of preparing and adopting that general plan.  
16 If a city or a county fails to adopt or implement a general plan that  
17 has been funded by a grant made pursuant to this section, the  
18 council shall direct the Controller to recover those funds by any  
19 available means. Grants shall only be available to cities and  
20 counties that are economically disadvantaged.

21 (d) A loan of state funds to a city or a county for the preparation  
22 and adoption or implementing of a general plan shall not exceed  
23 one-half of the costs of preparing and adopting that general plan.  
24 Any loan of state funds to a city or a county for the preparation  
25 and adoption of a general plan shall be repaid within 10 years of  
26 the adoption of that plan.

27 (e) In its application to the council for a grant or a loan pursuant  
28 to this section, a city or a county shall do all of the following:

29 (1) Submit and declare its intention to follow a detailed budget  
30 and schedule for the preparation and adoption or implementation  
31 of its general plan. The budget and schedule shall be of sufficient  
32 detail to allow the council to assess the progress of the city or the  
33 county at regular intervals. The schedule shall provide for the  
34 adoption of a complete and adequate general plan within seven  
35 years of the date on which the council awarded the grant or the  
36 loan. After the award of a grant or a loan and at the request of the  
37 city or county, the council may extend the deadline for the adoption  
38 of a complete and adequate general plan for up to an additional 12  
39 months.

1 (2) Declare the existence of, or the intention to prepare and  
2 adopt, a general plan that will substantially comply with the  
3 requirements of Article 5 (commencing with Section 65300) of  
4 Chapter 3 of Division 1 of Title 7 of the Government Code.

5 (3) Declare the existence of, or the intention to prepare and  
6 adopt, a general plan that will be consistent with the goals of  
7 Chapter 9 (commencing with Section 75065), including general  
8 plan goals, policies, standards, and feasible implementation  
9 programs that are designed to promote water conservation, reduce  
10 automobile use and fuel consumption, encourage greater infill and  
11 compact development, protect natural resources and agricultural  
12 lands, and revitalize urban and community centers.

13 (4) Declare the existence of, or the intention to prepare and  
14 adopt, a general plan that will be consistent with the regional  
15 transportation planning requirements of Section 65080 of the  
16 Government Code.

17 (5) Declare its intention to review and, when necessary, revise  
18 its general plan every 10 years after the adoption of the general  
19 plan funded pursuant to this section.

20 (f) The program shall give additional consideration to a grant  
21 or a loan pursuant to this section to a city or a county that adopts  
22 a resolution that declares its intent to do each of the following:

23 (1) Prepare and adopt a general plan that will support the  
24 implementation of a Regional Blueprint Project funded by a  
25 Regional Blueprint Planning Grant distributed through the  
26 Department of Transportation as part of the federal Safe,  
27 Accountable, Flexible—~~and Efficient Transportation~~, *Efficient*  
28 *Transportation Equity* Act: A Legacy for Users (SAFETEA-LU)  
29 (Public Law 109-59).

30 (2) Prepare and adopt a general plan that will support the  
31 implementation of the regional transportation planning  
32 requirements of Section 65080 of the Government Code.

33 (3) Prepare and adopt its general plan in collaboration with the  
34 county and all of the cities in the same county.

35 (4) Prepare and adopt its general plan in collaboration with all  
36 of the cities in the same council of governments or in the same  
37 subregional council of governments.

38 (5) Include in its general plan data and analysis, goals, policies,  
39 and objectives, and feasible implementation programs to improve

1 air quality, as required by Section 65302.1 of the Government  
2 Code.

3 (6) Include in its general plan data and analysis, goals, policies,  
4 and objectives, and feasible implementation programs to improve  
5 air quality, even though the city or the county is not required to  
6 comply with Section 65302.1 of the Government Code.

7 (7) Include in its general plan data and analysis, goals, policies,  
8 and objectives, and feasible implementation programs relating to  
9 flood hazard zones, as required by Section \_\_\_\_.

10 (8) Include in its general plan data and analysis, goals, policies,  
11 and objectives, and feasible implementation programs relating to  
12 flood hazard zones, even though the city or the county is not  
13 required to comply with Section \_\_\_\_.

14 (9) Impose fees pursuant to Section 65104 and subdivision (b)  
15 of Section 66014 of the Government Code to generate revenue to  
16 pay for a portion of the costs that are reasonably necessary to  
17 review, and, if necessary, revise the general plan funded pursuant  
18 to this section.

19 (g) The program shall also give additional consideration to a  
20 grant or loan pursuant to this section for each of the following  
21 criteria satisfied:

22 (1) Implementation of the state's planning policies set by Section  
23 65041.1 of the Government Code.

24 (2) Approval of housing projects over development that  
25 generates sales tax revenues.

26 (3) Conservation, rehabilitation, and enhancement of existing  
27 neighborhoods.

28 (4) Protection and preservation of agricultural land.

29 (5) Acquisition, protection, and management of open-space  
30 land.

31 (6) Adoption of zoning and development standards that facilitate  
32 new affordable housing projects.

33 (7) Urban revitalization, code enforcement, and sign control.

34 (8) Cultural resource protection and historic preservation.

35 (9) Healthy community initiatives, including community  
36 greening and safe routes to schools.

37 (10) Replacement or improvement of critical local infrastructure.

38 75118.2. (a) ~~The Sustainable Communities Council~~ *council*  
39 shall develop a program to award grants and loans to councils of  
40 governments, countywide authorities, and metropolitan planning

1 organizations to support the preparation, adoption, and  
2 implementation of regional blueprint planning programs or regional  
3 growth plans that will serve as the preferred growth strategy for  
4 the region and the basis for all land use allocation and regional  
5 transportation plans. These regional or local growth plans shall  
6 include measures needed to do all of the following:

7 (1) Meet applicable air quality implementation plans.

8 (2) Reduce vehicle miles traveled per household and traffic  
9 congestion.

10 (3) Increase average density for new residential areas to  
11 accommodate the expected population increase within the planning  
12 region.

13 (4) Identify and protect viable wildlife habitat, agricultural areas,  
14 scenic areas, and other natural resources.

15 (5) Provide parks, recreation areas, and facilities throughout the  
16 community.

17 (6) Plan urban trails that provide safe routes for both recreation  
18 and for travel between residences, schools, commercial centers,  
19 and workplaces, such as regional recreation corridors.

20 (7) Reduce water and energy consumption.

21 (8) Reduce greenhouse gas emissions consistent with the  
22 California Global Warming Solutions Act of 2006 (Division 25.5  
23 commencing with Section 38500) of the Health and Safety Code).

24 (9) Increase adaptability to climate change impacts.

25 (10) Actively involve the public in the development and  
26 implementation of the growth plan.

27 (11) Revitalize urban and community centers.

28 (b) Grants and loans for this purpose shall be funded from  
29 moneys ~~in the Sustainable Communities Fund that were made~~  
30 ~~available by~~ *pursuant to* subdivision (c) of Section 75065.

31 (c) (1) In awarding grants pursuant to this section, the  
32 ~~Sustainable Communities Council~~ *council* shall give first priority  
33 to councils of governments, countywide authorities, and  
34 metropolitan planning organizations that were not previously  
35 eligible to receive a Regional Blueprint Planning Grant distributed  
36 through the Department of Transportation as part of the federal  
37 Safe, Accountable, Flexible, and Efficient Transportation *Efficient,*  
38 *Transportation Equity* Act: A Legacy for Users (SAFETEA-LU)  
39 (Public Law 109-59).

1 (2) Grants shall only be available to applicants that are a  
2 disadvantaged community.

3 (d) A grant or loan of funds to a council of governments, a  
4 countywide authority, or a metropolitan planning organization  
5 pursuant to this section shall not exceed 50 percent of the costs of  
6 preparing, adopting, and implementing a regional blueprint  
7 planning program or regional growth plan.

8 (e) All applications for grants and loans pursuant to this section  
9 shall do all ~~or~~ of the following:

10 (1) Submit and declare its intention to follow a detailed budget  
11 and schedule for the preparation, adoption, and implementation  
12 of its regional blueprint planning program or regional growth plan.  
13 The budget and schedule shall be of sufficient detail to allow the  
14 council to assess the progress of the program at regular intervals.

15 (2) Declare the applicant's intention to prepare, adopt, and  
16 implement a regional blueprint planning program or regional  
17 growth plan that will be consistent with the goals of Chapter 9  
18 (commencing with Section 75065), including programs that are  
19 designed to promote water conservation, reduce automobile use  
20 and fuel consumption, encourage greater infill and compact  
21 development, protect natural resources and agricultural lands, and  
22 revitalize urban and community centers.

23 (3) Declare the applicant's intention to prepare, adopt, and  
24 implement a regional blueprint *planning* program or regional  
25 growth plan that will be consistent with the regional transportation  
26 planning requirements of Section 65080 of the Government Code.

27 (f) As used in this section:

28 (1) "Council of governments" means any council of governments  
29 formed pursuant to the Joint Exercise of Powers Act (Chapter 5  
30 (commencing with Section 6500) of Division 7 of Title 1 of the  
31 Government Code).

32 (2) "Countywide authority" means either of the following:

33 (A) In a county where cities do not exist, any entity established  
34 by a majority vote of the county's board of supervisors.

35 (B) In a county where cities exist, any entity established by a  
36 majority vote of the county's board of supervisors and by not less  
37 than a majority of the cities having not less than a majority of the  
38 population of all of the cities in that county.

1 (3) “Metropolitan planning organization” means any  
2 metropolitan planning organization recognized by the Department  
3 of Transportation.

4 ~~75118.3. (a) The Sustainable Communities Council~~ *council*  
5 shall develop a program to award grants and loans to counties and  
6 the cities in those counties, if any, to prepare collaborative strategic  
7 growth plans. Grants and loans for this purpose shall be funded  
8 from moneys ~~that were made available from~~ *made available*  
9 *pursuant to* subdivision (c) of Section 75065.

10 (b) A collaborative strategic growth plan shall commit the  
11 county and the cities, if any, in that county to undertake feasible  
12 implementation programs that carry out policies for housing needs,  
13 protection of resources and agricultural lands, revenue and tax  
14 sharing agreements for countywide services, and other smart  
15 growth policies that support efficient land use patterns.

16 (c) A grant or loan of state funds to a county and the cities, if  
17 any, in that county for the preparation of a collaborative strategic  
18 growth plan shall not exceed one-half of the costs of preparing  
19 and adopting that plan. If a county and the cities, if any, in that  
20 county fail to adopt a collaborative strategic growth plan that has  
21 been funded by a grant made pursuant to this article, the council  
22 shall direct the Controller to recover those funds by any available  
23 means. Grants shall only be available to applicants that are a  
24 disadvantaged community.

25 (d) In its application to the council for a grant or loan pursuant  
26 to this section, a county and the cities, if any, in that county shall  
27 do all of the following:

28 (1) Submit documentation explaining the scope of the proposed  
29 collaborative strategic growth plan, including an outline of the  
30 goals and objectives for achieving strategic growth within the  
31 county and the cities, if any, in that county.

32 (2) Submit and declare its intention to follow a detailed budget  
33 and schedule for the preparation and adoption of its collaborative  
34 strategic growth plan. The budget and schedule shall be of  
35 sufficient detail to allow the council to assess the progress of the  
36 county and the cities, if any, in that county at regular intervals.  
37 The schedule shall provide for the adoption of the collaborative  
38 strategic growth plan within five years of the date on which the  
39 council awarded the grant. After the award of a grant and at the  
40 request of the county and the cities, if any, in that county, the

1 council may extend the deadline for the adoption of a collaborative  
2 strategic growth plan for up to an additional 12 months.

3 (3) Declare its intention to prepare and adopt a collaborative  
4 strategic growth plan which will be consistent with the goals of  
5 Chapter 9 (commencing with Section 75065), including programs  
6 that are designed to promote water conservation, reduce automobile  
7 use and fuel consumption, encourage greater infill and compact  
8 development, protect natural resources and agricultural lands, and  
9 revitalize urban and community centers.

10 (4) Declare its intention to prepare and adopt a collaborative  
11 strategic growth plan which will be consistent with the regional  
12 transportation planning requirements of Section 65080 of the  
13 Government Code.

14 ~~75118.4. (a) The Sustainable Communities Council~~ *council*  
15 *shall develop and implement a grant program for urban greening*  
16 *projects, which are defined to be projects that provide multiple*  
17 *community benefits, including improving energy conservation,*  
18 *improving water and air quality, and reducing water consumption.*  
19 *These projects shall aim to protect the environment while*  
20 *improving the quality of life for residents. Grants for this purpose*  
21 *shall be funded from moneys in the Sustainable Communities Fund*  
22 ~~*that were made available from made available pursuant to*~~  
23 *subdivision (a) of Section 75065.*

24 (b) Eligible projects include, but are not limited to, all of the  
25 following:

26 (1) Projects that are part of, a general plan consistent with the  
27 general plan prepared and adopted pursuant to subdivision (f) of  
28 ~~Section 78115.1~~ *75118.1* and implemented pursuant to subdivision  
29 (g) of ~~Section 78115.1~~ *75118.1*, or a regional growth plan  
30 consistent with the regional growth plan prepared, adopted, and  
31 implemented pursuant to subdivision (a) of Section 75118.2.

32 (2) Installation of permeable surfaces that reduce stormwater  
33 runoff, improve water quality, and provide open or recreational  
34 space.

35 (3) Vegetation projects that provide cooling and reduce  
36 stormwater runoff, and projects that provide agricultural and  
37 nutritional benefits to communities.

38 (4) Urban forestry projects pursuant to the California Urban  
39 Forestry Act of 1978 (Chapter 2 (commencing with Section  
40 4799.06) of Part 2.5 of Division 4).

(5) Planning and building urban trails that provide safe routes for both recreation and travel between residences, schools, commercial centers, and workplaces.

(c) Priority shall be given to projects that use existing public lands, serve communities with the greatest need, and facilitate joint use of public resources and investments including schools.

75118.5. ~~The Sustainable Communities Council~~ *council* shall develop and implement a local assistance grant program for the development of parks associated with housing *for the purpose of distributing funds made available pursuant to subdivision (d) of Section 53545 of the Health and Safety Code*. This program shall build on the guidelines and structure established in Article ~~4.5~~ 4 (commencing with Section 75113) by creating three competitive programs for nonurbanized counties, urbanized counties, and heavily urbanized counties.

SEC. 4. Chapter 13 (commencing with Section 75120) is added to Division 43 of the Public Resources Code, to read:

#### CHAPTER 13. REPORTING PROVISIONS

75120. On or before January 1, 2009, and on or before January 1 of each year thereafter, each state agency expending funds pursuant to this division for a project, grant, or loan shall report to the Legislature on the recipient and amount of each project, grant, or loan awarded during the previous fiscal year. The information shall include the total amount awarded, categorized by project, grant, or loan, the geographic distribution of a project, grant, or loan awarded under this division, and the intended public and environmental benefit that the award provides. The information also shall include data on the balance of a fund available under this division for expenditures and grants in that fiscal year and future fiscal years.

SEC. 5. Section 10533 of the Water Code is amended to read:

10533. "Local public agency" means any city, county, city and county, special district, investor-owned utility regulated by the Public Utilities Commission, or mutual water company.

SEC. 6. Section 10544 is added to the Water Code, to read:

10544. For purposes of a grant program administered by the department or the board to fund a project or program included in

1 an integrated regional water management plan, statewide priorities  
2 include all of the following:

3 (a) State planning priorities established in Section 65041.1 of  
4 the Government Code.

5 (b) State water recycling goals established in Section 13577.

6 (c) Improving public trust resources above that required by  
7 statute, court order, or regulatory order, or for project mitigation.

8 (d) Aiding disadvantaged communities.

9 (e) Addressing persistent and historic environmental  
10 contaminants.

11 (f) Other environmental enhancements not otherwise required  
12 by statute, court order, or regulatory order, or for project mitigation.

13 (g) Reducing exports of water out of the watershed of origin.

14 (h) Assisting in meeting objectives of programs funded pursuant  
15 to the Highway Safety, Traffic Reduction, Air Quality, and Port  
16 Security Bond Act of 2006 (Chapter 12.49 (commencing with  
17 Section 8879.20) of Division 1 of Title 2 of the Government Code),  
18 the Housing and Emergency Shelter Trust Fund Act of 2006 (Part  
19 12 (commencing with Section 53540) of Division 31 of the Health  
20 and Safety Code), or the Kindergarten-University Public Education  
21 Facilities Bond Act of 2006 (Part 69 (commencing with Section  
22 101000) of the Education Code).

23 SEC. 7. Section 10544.5 is added to the Water Code, to read:

24 10544.5. If the department finds it necessary or desirable to  
25 revise or replace the Integrated Regional Water Management  
26 Guidelines, it shall do both of the following:

27 (a) Develop new or revised guidelines in consultation with the  
28 board, the California Bay-Delta Authority, the Department of Fish  
29 and Game, and the State Department of Health Care Services.

30 (b) Develop new or revised guidelines pursuant to Section 75100  
31 of the Public Resources Code.

32 SEC. 8. The Legislature intends to appropriate funding for  
33 grants or loans from the funds made available ~~by~~ *pursuant to*  
34 subdivision (c) of Section 75065 to cities and other local agencies  
35 to complete or update local coastal programs consistent with  
36 Chapter 6 (commencing with Section 30500) of Division 20 of the  
37 Public Resources Code.

38 SEC. 9. In any case in which any of the provisions of this act,  
39 and Division 43 (commencing with Section 75001) of the Public  
40 Resources Code conflict, that division shall prevail.

1     SEC. 10. The provisions of this act are severable. If any  
2     provision of this act or its application is held invalid, that invalidity  
3     shall not affect other provisions or applications that can be given  
4     effect without the invalid provision or application.

O